

TRIBAL HOUSING COUNSELING

STUDY GUIDE



1 | Core Financial Concepts

Foundations of Financial Strength

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FOUNDATIONS OF FINANCIAL STRENGTH

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Program Preface



“A stable home is a cornerstone of social, emotional, spiritual, and economic stability. Housing is economic development.”

- Tonya Plummer, Enterprises Director of Native American Housing Programs

The Role of Housing Counselors in Native Communities

Housing counselors working in Native communities play an essential role in helping individuals and families improve housing stability, prepare for homeownership, and strengthen their financial habits. They guide clients through key topics such as budgeting, credit, renting, mortgage readiness, and long-term planning. Counselors also assist clients in understanding tribal, federal, and lender programs, ensuring they can make informed housing decisions.

Effective counseling is grounded in cultural awareness and practical strategies. Clients may live on trust land, contribute to multigenerational households, or have

income that fluctuates throughout the year. Counselors must be prepared to meet clients where they are and offer clear, relevant guidance that fits their lives.

What Is Section 184?

The Section 184 Indian Home Loan Guarantee Program was created by the U.S. Department of Housing and Urban Development (HUD) to make home loans more accessible for Native American and Alaska Native families. The program offers a federal guarantee to lenders, encouraging them to work with tribal borrowers by reducing risk.

Section 184 loans can be used to buy, build, or refinance a home. They are available for properties on trust land, allotted land, or in designated service areas. Key benefits include low down payments, flexible credit requirements, and support for housing development in Native communities.

Counselors who understand Section 184 can help clients navigate the application process, avoid common mistakes, and use the program to move toward their long-term housing goals.

Complying with the Fair Housing Act

The Fair Housing Act is a federal law that protects individuals from discrimination in housing. As housing counselors, it is your responsibility to ensure that all clients are treated fairly, without bias or unequal treatment.

The law prohibits discrimination based on:

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Disability

These anti-discrimination laws apply to activities such as renting, buying, applying for a mortgage, or receiving housing services. Counselors should be able to identify signs of discrimination, help clients understand their rights, and refer them to appropriate agencies when needed. Upholding fair housing standards is a legal and ethical part of housing counseling.

Dual Responsibility in Tribal Settings

Counselors serving Native communities must balance two important responsibilities:

- Meet the standards required by HUD and other regulatory agencies, and;
- Understand the specific legal, financial, and land-use factors that impact housing in tribal contexts.

This includes knowing how tribal housing systems operate, how trust land affects ownership or lending, and how to support clients using programs like Section 184. Counselors are also expected to deliver housing education in a way that is clear, practical, and respectful of tribal culture.

You will gain tools and strategies to deliver services that are not only compliant but also grounded in the real-life circumstances of Native clients and communities. To support your learning, **key glossary terms will appear in bold** the first time they are introduced, making it easier to recognize and remember important concepts. You can refer to the glossary at any time for clear, plain-language definitions.

You will also see *Counselor Tips in italics*, offering practical guidance, reminders, and culturally responsive strategies to support your work with clients. These tips are designed to connect the material to real-life counseling situations and strengthen your effectiveness in Native communities.



FOUNDATIONS OF FINANCIAL STRENGTH

1.1 | Core Financial Concepts

"If you don't know where your money is going, you will always wonder where it went."

- Anonymous

Introduction

As a housing counselor, you may work with clients who are not sure how to talk about **income**, **expenses**, or savings. In this section, you will learn how to introduce basic financial concepts in simple ways that relate to your client's daily life. You will also practice identifying **monthly income** from different types of jobs or benefits so you can help your client plan ahead and make informed financial decisions.



Prompt

"How confident do most of your clients feel when talking about their income, expenses, or savings?"

Objective

In this section, you will learn how to explain basic financial ideas clearly and respectfully. You will also practice how to talk with clients in a way that matches their experience and cultural context, so they feel supported, not judged. By the end of this training, you will feel more confident helping clients like Talia understand where their money goes and how to make a financial **action plan** that respects your clients goals and priorities.

Scenario



Talia is a 38-year-old single mother with two young children, who recently started a new job. She tells her housing counselor, "I make decent money, but it always disappears. I don't even know what counts as an expense or what I should be **saving**."

Learning Guidance

When discussing finances with clients, try to connect financial concepts to everyday situations. Use plain language and invite the client to share what they already do. For example, instead of saying "**budget**," you might ask, "Do you keep track of what comes in and what goes out?"

Use tools like:

- Simple worksheets
- Visual charts
- Story-based examples
- Real-world goals (saving for school clothes, gas, or powwow travel)

Always aim to honor your client's strengths and culture while providing helpful tools.

Counselor Tip: *When explaining income and expenses, encourage clients to think about how their financial choices support not just themselves but also their family and community roles.*

Why Specific Numbers Matter

Clients often come to housing counselors because they want clarity; they may know they are struggling, but cannot pinpoint why. Talking about exact numbers, rather

than general guesses, helps clients see their true financial picture. Knowing a client’s **gross monthly income** is especially important because it’s the starting point for calculating affordability, setting goals, and making realistic plans. Without specific numbers, action plans are based on assumptions, which can lead to missed opportunities or financial setbacks.

KEY FINANCIAL CONCEPTS

TERM	MEANING
INCOME	Money received from work, benefits, or other sources (wages, child support, per capita payments)
EXPENSES	Money spent on bills, food, transportation, and other needs
FIXED	Costs that stay the same each month (rent, car payment)
VARIABLE	Costs that change month to month (gas, groceries)
SAVINGS	Money set aside for future needs or emergencies; even small amounts matter
PAY YOURSELF FIRST	A habit of saving before spending on other things
CREDIT (OVERVIEW)	Borrowed money to be repaid, if used wisely, it can help reach goals
DEBT (OVERVIEW)	Money owed, manageable if tracked and planned

Tracking Income

What to Count

- Wages or salary
- Temporary or seasonal jobs
- Unemployment compensation
- Public assistance
- Per capita payments
- Child Support

What Documents to Use

- Pay stubs or deposit records
- W-2s or 1099s
- Form 1040 (especially Schedule C for self-employed)
- Benefit award letters (SSI, tribal assistance, unemployment)
- Personal records for cash or informal income

Track Expenses

- Regular bills (rent, utilities, phone, car)
- Cash expenses (gas, groceries, clothes)
- Irregular or yearly costs (gifts, school fees, car registration, tribal gatherings)

Encourage clients to list everything they spend money on, even small or seasonal costs

What Not to Count:

- Pre-tax payroll deductions like 401(k), health savings, or flexible spending accounts
- Credit scores
(helpful, but not needed)

Calculating Gross Monthly Income

Gross Monthly Income		
Pay Schedule	Calculation for Gross Monthly Income	Example (rounded to the dollar)
Hourly	Total hourly pay before deductions × hours per week × 52 weeks per year ÷ 12 months	\$10/hr × 35 hrs × 52 weeks ÷ 12 months = \$1,517
Weekly	Total weekly pay before deductions × 52 ÷ 12	\$750 × 52 weeks × 12 months = \$3,250 monthly
Bi-weekly	Total bi-weekly pay before deductions × 26 ÷ 12	\$1,000 × 26 ÷ 12 = \$2,167 monthly
Semi-monthly	Total semi-monthly pay before deductions × 2	\$1,200 × 2 = \$2,400 monthly
Monthly	Total monthly pay before deductions	No calculation needed
Self-employed	Average adjusted gross income , or AGI, from tax returns and/or Profit and Loss Statement, or P&L, as applicable ÷ the number of months of income counted (See below for further information on determining income for self-employed clients.)	\$70,587 ÷ 24 = \$2,941 monthly

Counselor Tip: For clients with irregular income, average their monthly earnings. If hours vary each week, calculate gross monthly income using the hourly rate and average weekly hours worked.

Summary

After learning how to track her income and expenses, Talia begins to see where her money is going each month. She is relieved to finally have clear numbers instead of guessing. In the next counseling session, she will use this information to build a budget that works for her family's needs. The next scenario will shift to another client, Eli, who is beginning his own journey by using financial records to create a budget that supports his long-term goal of buying a home.

In this module, you learned how to help clients like Talia begin their financial journey by understanding income, expenses, savings, credit, and debt. You practiced how to introduce these core concepts using simple language, real-life examples, and tools that reflect your client's daily experience. As a housing counselor, your role is not just to provide information, but to guide clients toward making confident choices about their money. By helping clients track their income and expenses, you empower them to take the first steps toward stronger housing stability and financial wellness.

Talia leaves her first session with a clearer picture of her income and expenses. She is motivated to make changes, but still needs guidance on how to create a plan that allows her to put money in savings each month. Meanwhile, Eli is preparing to start his own financial journey, beginning with tracking his income and expenses.

1.1 | Practice Activity

1. Calculate Talia's **gross monthly income** using the formula table above, round to the nearest dollar.

Talia earns \$24/hour and works 35 hours a week. She also receives \$300 in child support each month.

2. Labeling Activity:

Mark each expense as **F** for **Fixed** or **V** for **Variable** in the box.

Rent

Electricity

Childcare

Gas

Clothing

School Supplies

Groceries

Cell phone bill

Manicures

Wifi

Car payment

Subscriptions

1.1 | Knowledge Check

- 1. Which of the following is an example of a fixed expense?**
 - a. Grocery bill
 - b. Monthly rent
 - c. Gasoline
 - d. School supplies
- 2. What does the phrase "pay yourself first" mean?**
 - a. Spend your paycheck on personal items first
 - b. Use credit cards to save
 - c. Save before spending on anything else
 - d. Wait to save after bills are paid
- 3. Which of the following best describes income?**
 - a. Money you plan to save
 - b. List of monthly expenses
 - c. Money owed to others
 - d. Money received from work or benefits
- 4. Which of the following should *not* be counted as income when calculating a budget?**
 - a. Unemployment benefits
 - b. Temporary job earnings
 - c. Pre-tax payroll deductions
 - d. Government assistance
- 5. What is one reason a housing counselor might review a client's credit report?**
 - a. To check how much the client earns
 - b. To find forgotten debt or missed payments
 - c. To calculate their grocery expenses
 - d. To get the client's bank account number
- 6. What is a good strategy when talking to clients about money?**
 - a. Use financial terms so they sound professional
 - b. Focus on multiple financial topics at once
 - c. Use examples from everyday life and plain language
 - d. Avoid discussing emotional goals like saving for gifts

Appendix 1.1 | Core Financial Concepts

Glossary of Key Terms

Action Plan - A written set of steps a client will follow to reach **financial goals**.

Expenses - The costs of goods and services, such as housing, food, and transportation.

Financial Goals - Targets or priorities a client sets for managing money, such as saving for emergencies.

Financial Stability - A condition where income and savings can reliably meet expenses and unexpected costs.

Gross Income - A client's total earnings before taxes or other deductions.

Income - Money received by a client, such as wages, tips, benefits, or other sources.

Monthly Income - The amount of money a client earns each month, from one or more sources.

Net Income - The money left after taxes and other deductions are taken out of gross income.

Savings - Money set aside for future needs, emergencies, or goals.

Variable Income - Money earned that changes from month to month, such as seasonal or hourly wages.

1.1 | Knowledge Check – Answer Key

1. Which of the following is an example of a fixed expense?

- a. Grocery bill
- b. Monthly rent**
- c. Gasoline
- d. School supplies

Answer Explanation: Fixed expenses stay the same each month, and rent does not change regularly. Groceries, gas, and supplies can vary, so they are variable expenses.

2. What does the phrase "pay yourself first" mean?

- a. Spend your paycheck on personal items first
- b. Use credit cards to save
- c. Save before spending on anything else**
- d. Wait to save after bills are paid

Answer Explanation: "Pay yourself first" means setting aside money for savings as soon as you get paid. This builds financial stability before spending on other things.

3. Which of the following best describes income?

- a. Money you plan to save
- b. List of monthly expenses
- c. Money owed to others
- d. Money received from work or benefits**

Answer Explanation: Income is all the money received, such as wages, tips, or benefits. It is not savings, expenses, or debts.

4. **Which of the following should not be counted as income when calculating a budget?**

- a. Unemployment benefits
- b. Temporary job earnings
- c. **Pre-tax payroll deductions**
- d. Government assistance

Answer Explanation: Payroll deductions are amounts taken out before you get your paycheck (like taxes or insurance). Since you never actually receive this money, it is not counted as income in a budget.

5. **What is one reason a housing counselor might review a client's credit report?**

- a. To check how much the client earns
- b. **To find forgotten debt or missed payments**
- c. To calculate their grocery expenses
- d. To get the client's bank account number

Answer Explanation: A credit report shows debts, payment history, and missed payments. Counselors review it to identify barriers to housing and help clients improve their credit.